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THE AGRICULTURAL SITUATION

A Brief Summary of Economic Conditions

ISSUED MONTHLY BY THE BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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THE YEAR IN RETROSPECT

Considering the country as a whole, 1926 seems to have registered in the minds of a majority of farmers as a disappointing year. The rise in prices of farm products in 1924, which was fairly well sustained during 1925, had aroused still further hopes for this year. But the sharp slump in cotton, grain, and fruit prices this fall reduced the purchasing power of extensive regions and brought the season to a rather depressing close. Many producers of winter wheat, potatoes, and certain livestock products did well, however.

The crop season was a harassing one with very late spring, widespread drought in early summer and much rain during harvest. Although the major crops finally turned out about average yields, their quality was lowered, with much consequent discount to farmers from the nominal market prices. The value of the principal crops, based upon prices December 1, was \$7,801,000,000 compared with \$8,949,000,000 a year ago. In spite of lower prices, however, about 2,000,000 acres or 5 per cent greater area of winter wheat was sown this fall than last.

The livestock industries have represented a somewhat brighter side of the picture. The dairy industry had a favorable spread between milk and feed prices most of the year. Poultry producers were relatively prosperous. Cattle feeders did not have a very profitable experience last winter, yet the movement of cattle into the Corn Belt up to December 1 indicated about as large a volume of feeding this winter as last. On the range end, cattlemen appear optimistic. The number of sheep and lambs on feed December 1 apparently exceeded last year's number by at least 200,000 head, the increase being in the Corn Belt with a heavy decrease in Colorado. Hog producers have had the most advantageous spread in several years between corn and hog prices but the cholera epidemic this fall wiped out many opportunities for profit. The recent pig survey covering 11 Corn Belt States indicates only about 4 per cent increase in the fall pig crop, less than 1 per cent increase in the total 1926 pig crop, no increase in the 1927 spring pig crop, and a probable decrease in hog slaughter during the marketing year 1926-27.

Looking toward the production program for the New Year, the events of 1926 seem to convey a clear warning for the Cotton Belt, reasonable assurance to livestock producers, and conservatism all along the line as to crop acreage. Apparently the total purchasing power of agriculture is not yet to be increased by any general expansion of production.

KEY REGIONS AT A GLANCE

The East.—Has had a considerable taste of winter during past month, hampering outside work and doing some damage to crops temporarily stored. Now getting into routine of winter work. Been a fairly good year among dairymen, poultry producers and many potato growers; not so good for fruit men and growers of some other important cash crops like hay, beans, cabbage, and sweet potatoes. General sentiment not greatly different from last year.

The South.—Much rain and unfavorable weather. Cotton picking has gone slowly but is mostly finished. Said to be considerable low-grade cotton abandoned. Some little planting of cotton land to winter wheat. Sugar cane grinding practically finished. Winter truck has made fair progress except in some flooded areas. General sentiment less optimistic than last year.

Corn Belt.—Bad weather during month, corn husking delayed, outdoor work generally interfered with, marketing of crops slowed up by poor roads. More sheep and lambs on feed than last year. About the same total number of stocker and feeder cattle shipped in as last year; these showing some increase east of the Missouri River and decrease west of it. The pig survey of last month indicated only about 4 per cent increase in fall pig crop (compared with last fall), less than 1 per cent increase in combined spring and fall pig crops of 1926, and no indicated increase in next spring's pig crop.

Wheat Belt.—Winter-wheat condition in southern belt slightly below last year but above average; Kansas condition about average. Some severe weather during month with freezing damage in some areas and beneficial snow in others. Winter wheat acreage reported increased about 2,000,000 acres or 5 per cent over last year. This includes increase in Kansas of 5 per cent, Nebraska 9 per cent, Oklahoma 6 per cent, Texas 25 per cent.

Range Country.—Severe storms and cold waves during month, with some consequent injury to stock in north and necessitating feeding over a wide area. Snow benefited range and water supplies in south. December reports indicated about 700,000 sheep and lambs on feed in Colorado or only half as many as a year ago; probability of small market shipments before March 1. Decreased feeding also in Wyoming.

Pacific Coast.—Heavy increase of winter-wheat acreage (40 per cent) reported in Washington, but same acreage as year ago in Oregon. Winter wheat reported much above average in condition on December 1, but has had some severe weather in month. Unusually heavy rains in south; reported damage to truck crops in Imperial Valley. Good citrus harvest still in progress.

THE TREND OF CROP PRODUCTION

	1913 produc- tion	5-year average, 1921- 1925 produc- tion	1925 produc- tion	1926 produc- tion
	Millions	Millions	Millions	Millions
Winter wheat, bu.....	523	549	402	627
Spring wheat, bu.....	240	253	275	205
All wheat, bu.....	763	802	676	832
Corn, bu.....	2, 447	2, 849	2, 917	2, 645
Oats, bu.....	1, 122	1, 327	1, 488	1, 254
Flaxseed, bu.....	18	17. 8	22	19
Cotton, bales.....	14. 1	11. 5	16. 1	18. 6
Rice, bu.....	25. 7	36	33	41
Potatoes, white, bu.....	332	396	323	356
Sweet potatoes, bu.....	59	84	62	84
Tobacco, lbs.....	954	1, 290	1, 377	1, 323
Hay, all, tons.....	64	90	98	96
Apples, total, bu.....	145	170	172	246
Apples, commercial, bbls.....		30. 1	33	39
Peaches, bu.....		47	47	68

Yields per acre averaged about 3 per cent above average yields during last 10 years.

Total production 2.9 per cent greater than last year and 7.3 per cent above average production during last 5 years.

AVERAGE PRICES OF FARM PRODUCTS RECEIVED BY PRODUCERS

Actual prices received by producers at local farm markets as reported to the Division of Crop and Livestock Estimates of this bureau. Average of reports covering the United States, weighted according to relative importance of district and State.

	5-year average, August, 1909- July, 1914	Novem- ber average, 1910- 1914	Novem- ber, 1925	October, 1926	Novem- ber, 1926
Cotton, per lb.....cents--	12. 4	12. 1	18. 1	11. 7	11. 0
Corn, per bu.....do-----	64. 2	59. 4	74. 6	74. 5	66. 0
Wheat, per bu.....do-----	88. 4	87. 3	148. 8	121. 4	123. 6
Hay, per ton.....dollars--	11. 87	11. 89	13. 07	13. 08	13. 22
Potatoes, per bu.....cents--	69. 7	61. 4	198. 4	126. 4	141. 3
Oats, per bu.....do-----	39. 9	38. 2	37. 6	39. 0	39. 8
Beef cattle, per 100 lbs. -----dollars--	5. 22	5. 01	6. 14	6. 43	6. 32
Hogs, per 100 lbs....do-----	7. 23	6. 96	10. 66	12. 06	11. 45
Eggs, per dozen.....cents--	21. 5	27. 6	46. 8	36. 8	44. 9
Butter, per lb.....do-----	25. 5	27. 4	46. 1	41. 8	43. 5
Butterfat, per lb....do-----			47. 8	42. 4	44. 8
Wool, per lb.....do-----	17. 7	16. 9	37. 8	31. 6	31. 6
Veal calves, per 100 lbs. -----dollars--	6. 75	6. 74	9. 16	10. 29	9. 54
Lambs, per 100 lbs....do-----	5. 91	5. 31	12. 20	11. 31	11. 11
Horses.....do-----	142. 00	138. 00	75. 00	77. 00	75. 00

Among the important crops, the chief price change during November was in corn, which declined nearly 8 cents a bushel. Potato prices advanced somewhat. Otherwise the level of crop prices remained comparatively stable.

Among the livestock products, the price of hogs shaded off a little as is usual at the season, while eggs and butter scored some seasonal advance.

It is significant that of the above list cotton is actually selling below the pre-war price and horses and horse feed (hay and oats) are likewise below or near the pre-war level.

PRICE INDEXES FOR NOVEMBER, 1926

Farm products figures from this bureau; commodity groups from Bureau of Labor Statistics (latter shown to nearest whole number). Shows year ago and latest available month:

FARM PRODUCTS

[Prices at the farm; Aug., 1909-July, 1914=100]

	No- vem- ber, 1925	Octo- ber, 1926	No- vem- ber, 1926	Month trend
Cotton.....	146	94	89	Lower.
Corn.....	116	116	103	Do.
Wheat.....	168	137	140	Higher.
Hay.....	110	110	111	Do.
Potatoes.....	285	181	203	Do.
Beef cattle.....	118	124	122	Lower.
Hogs.....	147	167	158	Do.
Eggs.....	218	171	209	Higher.
Butter.....	181	164	171	Do.
Wool.....	212	178	178	Unchanged.

COMMODITY GROUPS

[Wholesale prices; 1910-1914=100]¹

	No- vem- ber, 1925	Octo- ber, 1926	No- vem- ber, 1926	Month trend
Farm products.....	154	139	135	Lower.
Food, etc.....	159	151	150	Do.
Cloths and clothing.....	192	175	173	Do.
Fuel and lighting.....	203	214	221	Higher.
Metal and metal products.....	139	136	136	Unchanged.
Building materials.....	181	177	179	Higher.
Chemicals, etc.....	134	128	127	Lower.
House-furnishing goods.....	172	166	165	Do.
All commodities.....	160	152	151	Do.

¹ Bureau of Labor Statistics index numbers converted to 1910-1914 base.

RELATIVE PURCHASING POWER

[At November, 1926, farm prices; August, 1909-July, 1914=100]

In terms of—	Of a unit of—				
	Cotton	Corn	Wheat	Hay	Po- ta- toes
All commodities.....	59	68	93	74	134
Cloths, etc.....	51	59	81	64	117
Fuel, etc.....	40	47	63	50	92
Metals, etc.....	65	76	03	82	149
Building materials.....	49	57	78	62	113
House-furnishing goods.....	54	62	85	67	123
	Beef cattle	Hogs	Eggs	Butter	Wool
All commodities.....	81	105	138	113	118
Cloths, etc.....	70	91	121	98	102
Fuel, etc.....	55	72	95	77	80
Metals, etc.....	90	117	154	126	131
Building materials.....	68	88	117	95	99
House-furnishing goods.....	73	96	126	103	107

Of the group of representative crops listed above, only potatoes had an exchange value, in November, above the pre-war parity. The other four, representing the leading feed and cash crops, have an exchange value so low as to presumably discourage any expansion of acreage this spring.

The livestock products, excepting cattle, have a considerably higher exchange value per unit. Cattle, although low priced, are still at an advantage as compared with feed prices.

One of the chief factors of stability in the present situation is this fact that low-priced crops are to some degree offset by higher-priced livestock products.

The general index of purchasing power of farm products, in terms of nonagricultural commodities, declined another point in November to 80, the five pre-war years being considered as 100.

GENERAL BUSINESS INDICATORS RELATED TO AGRICULTURE

	1925, November	1926, October	1926, November	Month's trend
PRODUCTION				
Pig iron daily (thousand tons)---	101	108	108	Same.
Bituminous coal (million tons)---	51	55	55	Do.
Steel ingots (thousand long tons)-	3, 903	4, 093	3, 722	Decrease.
CONSUMPTION				
Cotton by mills (thousand bales)-	544	569	584	Increase.
Unfilled orders Steel Corporation (thousand tons).	4, 582	3, 684	3, 807	Do.
Building contracts (million dol- lars).	407	451	421	Decrease.
Hogs slaughtered (thousands)---	2, 300	1, 933	2, 219	Increase.
Cattle slaughtered (thousands)--	1, 232	1, 356	1, 326	Decrease.
Sheep slaughtered (thousands)---	793	999	932	Do.
MOVEMENTS				
Bank clearings (New York) (bil- lion dollars).	23	24	22	Decrease.
Car loadings (thousands)-----	4, 094	4, 006	4, 272	Increase.
Mail-order sales (million dollars)-	45	47	48	Do.
Employees New York State fac- tories (thousands).	513	506	500	Decrease.
Average price 25 industrial stocks (dollars).	177	165	172	Increase.
Interest rate (4-6 months' paper, New York).	4 38	4 50	4 44	Decrease.
Retail food price index (Depart- ment of Labor). ¹	167	160	162	Higher.
Wholesale Price Index (Depart- ment of Labor). ¹	158	150	148	Lower.

¹ 1913=100.

Observers point to factors which might bring about some recession during the coming year. Among those are the probability of some slowing down in building, the reduction already evident in automobile production, the possibility of disturbance in the coal industry, and the recurring disparity between prices of farm products and industrial goods and services. On the other hand, there is still an apparent weight of evidence in favor of another year of good business, even though it does not maintain the pace of 1926. Most well-informed observers appear to expect a possible, moderate slowing down of the industrial machine, but they do not prophesy a bad year.

There is little in the industrial outlook which seems to have any outstanding significance as affecting the plans of farmers. Perhaps it suggests conservatism in the 1927 program of production.

Data on this page, excepting livestock slaughter and price indexes, are from the "Survey of Current Business," Bureau of the Census, U. S. Department of Commerce.

GENERAL TREND OF WAGES AND PRICES

[1910-1914=100]

Year and month	General wage level ¹	Farm wages ²	Retail price of food ³	Wholesale price of food ³	Wholesale price, all commodities ⁴
1910.....		97	96	100	103
1911.....		97	95	96	95
1912.....		101	101	103	101
1913.....		104	103	99	102
1914.....	⁵ 100	101	106	101	100
1915.....	101	102	104	104	103
1916.....	114	112	117	120	129
1917.....	129	140	151	166	180
1918.....	160	176	174	187	198
1919.....	185	206	192	205	210
1920.....	222	239	210	218	230
1921.....	203	150	158	143	150
1922.....	197	146	146	137	152
1923.....	214	166	151	143	156
1924.....	218	166	150	143	152
1925.....	223	168	160	156	162
1925					
January.....	223	156	159	159	163
February.....	220		156	156	164
March.....	224		156	158	164
April.....	218	163	155	153	159
May.....	221		156	152	158
June.....	220		160	154	160
July.....	220	170	165	156	163
August.....	222		165	158	163
September.....	223		164	159	163
October.....	225	173	167	157	160
November.....	226		172	159	160
December.....	229		171	156	159
1926					
January.....	229	159	169	155	159
February.....	225		166	152	158
March.....	229		165	150	154
April.....	227	166	167	152	154
May.....	226		166	153	154
June.....	228		165	156	155
July.....	227	174	162	153	153
August.....	227		161	150	152
September.....	231		163	151	153
October.....	231	176	165	151	152
November.....	230		167	151	151

¹ Average weekly earnings, New York State factories.² Index based on both monthly and daily wages.³ Bureau of Labor Statistics index numbers converted to 1910-1914 base.⁴ Bureau of Labor Statistics.⁵ June.

NEW INDEX OF GENERAL TREND OF PRICES

[On five-year base; August, 1909-July, 1914=100]

Year and month	Index numbers of farm prices							Wholesale prices of non-agricultural commodities ¹	Relative purchasing power of farmer's product ²
	Grains	Fruits and vegetables	Meat animals	Dairy and poultry products	Cotton and cottonseed	Unclassified	All groups, 30 items		
1910.....	104	91	103	101	113	102	103	102	101
1911.....	96	106	87	95	101	103	95	96	99
1912.....	106	110	95	103	87	106	99	100	99
1913.....	92	92	108	100	97	94	100	105	95
1914.....	103	100	112	101	85	95	102	97	105
1915.....	120	83	104	99	78	95	100	101	99
1916.....	126	123	120	106	119	100	117	138	85
1917.....	217	202	173	133	187	130	176	182	97
1918.....	226	162	202	160	245	157	200	188	107
1919.....	231	189	206	182	247	162	209	199	105
1920.....	231	249	173	197	248	152	205	241	85
1921.....	112	148	108	151	101	90	116	167	69
1922.....	105	152	113	135	156	94	124	168	74
1923.....	114	136	106	147	216	109	135	171	79
1924.....	120	124	109	137	211	100	134	162	83
1925.....	156	160	139	143	177	92	147	165	89
November.....									
1921.....	88	162	92	164	137	80	116	161	72
1922.....	106	101	108	152	186	94	126	175	72
1923.....	110	114	100	166	238	96	136	163	83
1924.....	147	108	115	150	179	106	137	160	86
1925.....	138	194	136	162	144	95	144	166	87
1926.....									
January.....	143	214	140	153	138	87	143	165	87
February.....	140	218	146	144	142	87	143	164	87
March.....	133	220	147	137	133	85	140	162	87
April.....	131	253	146	133	135	83	140	160	88
May.....	131	240	148	131	130	82	139	160	87
June.....	130	216	154	130	132	81	139	160	87
July.....	125	195	152	131	126	85	136	159	85
August.....	128	166	144	130	130	89	133	160	83
September.....	121	136	148	139	134	93	134	161	83
October.....	123	136	148	144	94	97	130	160	81
November.....	121	142	142	157	88	97	130	161	80

¹ Computed by Bureau of Labor Statistics from wholesale prices of all commodities except those from United States farms. 1910-1914=100.

² The value of a unit of the farmer's product in exchange for nonagricultural products at wholesale prices, compared with pre-war values. Obtained by dividing index of all groups (30 items) by the index of the wholesale prices of nonagricultural products.

THE TREND OF MOVEMENT TO MARKET

Figures show wheat, corn, hogs, cattle, sheep receipts at primary markets; butter receipts at five markets, compiled by this bureau. All figures given to nearest thousand; that is, three ciphers omitted.

Month	Receipts					
	Wheat	Corn	Hogs	Cattle	Sheep	Butter
Total—	<i>Thousand bushels</i>	<i>Thousand bushels</i>	<i>Thousand</i>	<i>Thousand</i>	<i>Thousand</i>	<i>Thousand pounds</i>
1920.....	332, 314	210, 332	42, 121	22, 197	23, 538	402, 755
1921.....	435, 606	340, 908	41, 101	19, 787	24, 168	468, 150
1922.....	413, 106	378, 598	44, 068	23, 218	22, 364	526, 714
1923.....	386, 430	271, 858	55, 330	23, 211	22, 025	545, 380
1924.....	482, 007	278, 719	55, 414	23, 695	22, 201	587, 477
1925.....	346, 381	223, 604	43, 929	24, 067	22, 100	574, 489
November—						
1920.....	37, 292	10, 374	3, 872	2, 428	2, 471	22, 288
1921.....	24, 342	14, 105	3, 687	1, 928	2, 068	30, 299
1922.....	41, 496	23, 037	4, 421	2, 427	2, 288	31, 529
1923.....	36, 576	23, 280	5, 416	2, 182	1, 816	33, 525
1924.....	58, 081	15, 231	4, 904	2, 363	1, 879	30, 162
1925.....	33, 948	19, 144	3, 844	2, 282	1, 712	35, 455
1926						
January.....	19, 076	28, 268	4, 304	1, 840	1, 548	39, 424
February.....	15, 923	25, 718	3, 372	1, 551	1, 486	39, 507
March.....	15, 052	20, 080	3, 579	1, 811	1, 695	46, 077
April.....	13, 458	12, 589	3, 135	1, 711	1, 502	45, 501
May.....	15, 260	11, 972	3, 037	1, 894	1, 717	54, 464
June.....	18, 505	23, 912	3, 143	1, 871	1, 913	75, 931
July.....	68, 200	13, 353	2, 854	1, 821	1, 739	68, 393
August.....	67, 952	11, 513	2, 804	1, 997	2, 277	50, 476
September.....	46, 266	13, 740	2, 816	2, 397	3, 279	44, 761
October.....	35, 124	28, 613	3, 261	2, 674	3, 090	38, 166
November.....	28, 229	22, 587	3, 554	2, 460	1, 917	34, 180

The movement of wheat to market during November was relatively lighter than in same month last year. More corn appeared, however.

Hog receipts showed a seasonal increase but continued to reflect the lessened production as compared with two and three years ago.

Cattle and sheep moved to market in moderately heavy volume. Butter receipts were slightly below those in November last year but were relatively heavier than during any November in five previous years.

THE TREND OF EXPORT MOVEMENT

[Compiled from the Department of Commerce reports by Division of Statistical Research of this bureau]

Month	Wheat, ¹ including flour	Tobacco (leaf)	Bacon, ² Hams, and shoulders	Lard	Total ³ meats	Cotton ⁴ (run- ning bales)
Total—	1,000 bushels	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 bales
1920.....	311, 601	467, 662	821, 922	612, 250	1, 043, 500	6, 111
1921.....	359, 021	515, 353	647, 680	868, 942	786, 280	6, 385
1922.....	235, 307	430, 908	631, 452	766, 950	733, 832	6, 015
1923.....	175, 190	74, 500	828, 890	1, 035, 382	958, 472	5, 224
1924.....	241, 454	546, 555	637, 980	944, 095	729, 832	6, 653
1925.....	138, 786	468, 469	467, 459	688, 829	547, 361	8, 362
November—						
1920.....	31, 209	26, 627	69, 129	57, 316	79, 335	681
1921.....	19, 813	29, 236	32, 425	51, 854	40, 586	630
1922.....	17, 890	39, 787	51, 407	62, 321	63, 357	856
1923.....	12, 503	49, 381	71, 947	74, 251	85, 069	762
1924.....	35, 425	44, 312	35, 430	49, 120	42, 393	1, 289
1925.....	8, 796	51, 141	31, 693	39, 979	37, 304	1, 196
1926						
January.....	5, 587	46, 891	46, 654	76, 670	53, 833	735
February.....	4, 742	47, 147	37, 187	65, 356	45, 292	545
March.....	7, 039	36, 167	34, 133	64, 259	40, 641	512
April.....	6, 452	43, 388	31, 410	63, 160	37, 947	506
May.....	12, 558	27, 431	30, 104	58, 154	35, 197	412
June.....	11, 210	30, 762	23, 861	56, 482	29, 959	339
July.....	19, 811	29, 760	22, 457	45, 879	28, 221	356
August.....	35, 774	26, 263	29, 090	54, 273	34, 762	385
September.....	31, 031	38, 319	26, 927	61, 577	33, 843	789
October.....	24, 098	53, 129	23, 873	46, 988	30, 384	1, 359
November.....	20, 545	49, 136	22, 384	43, 488	30, 177	1, 475

¹ Wheat flour is converted on a basis of 4.7 bushels of grain equal 1 barrel of flour.

² Includes Cumberland and Wiltshire sides.

³ Includes fresh, canned, and pickled beef, bacon, hams and shoulders; fresh, canned, and pickled pork; fresh mutton and lamb.

⁴ Excludes linters.

COLD STORAGE SITUATION

[December 1 holdings (shows nearest million, six figures omitted)]

Commodity	5-year average	Year ago	Month ago	Dec. 1, 1926
Creamery butter, lbs.....	68	75	101	64
American cheese, lbs.....	50	66	72	64
Case eggs, cases.....	¹ 3, 315	¹ 3, 786	¹ 5, 888	¹ 3, 215
Total poultry, lbs.....	71	87	65	107
Total beef, lbs.....	89	74	61	86
Total pork, lbs.....	433	385	406	389
Lard, lbs.....	36	34	72	47
Lamb and mutton, lbs.....	¹ 3, 608	¹ 1, 549	¹ 2, 814	¹ 3, 165
Total meats, lbs.....	584	511	522	532
Apples, bbls.....	¹ 7, 890	¹ 9, 398	¹ 7, 107	¹ 10, 497

¹ Thousands, or three figures omitted.

This is the season when the country draws upon its stored stocks of eggs and dairy products, consequently the December 1 storage holdings of both showed declines from the previous month. Stocks of butter and cheese on hand were not far from the average and the same was true of eggs.

Dressed poultry moves into storage at this season and the December 1 stocks showed a material increase, being well above last year and above average.

Beef stocks increased during the month, as is usual, and were about average.

Pork stocks decreased slightly and lard considerably.

Lamb and mutton went into storage in some volume, stocks being twice as great as last year.

Stocks of apples are somewhat heavier than last year and above the average.

THE DAIRY SITUATION

Earliest indications were that production in 1926 would exceed that of 1925 by a good-sized margin, but by the first of June it was evident that unfavorable weather conditions in important producing sections were causing a shrinkage. June weather was more favorable and the flow of milk was stimulated, but the loss of momentum during the preceding month, a knowledge that storage stocks were again piling up, and recollection of what had happened to butter prices in December and January of last winter, all served in some measure to check a full comeback. The result of all this was an irregular production trend during succeeding months. The probability now, at the close of the year, is that butter production will about equal that of 1925 instead of exceeding it, cheese production will apparently be some 5 per cent less, with condensed and evaporated milk showing even a greater reduction. The immediate situation is one of actual shortage in many sections, particularly those supplying cities with fluid milk.

One of the remarkable things all through 1926 was the active demand for dairy products, particularly butter. Even in December, when wholesale butter prices were up to 56 cents and retailers were charging well above 60 cents, the buying public continued to indicate a willingness to pay the price, providing quality was satisfactory. While high quality was commanding premiums, the same good demand did not exist for medium and low-grade butter and producers of these grades suffered penalties throughout the whole year, the higher the price level the greater being the penalty.

A change in the butter tariff was another important development during 1926. It is hardly possible to measure the actual effect upon domestic markets of the increase from 8 cents per pound to 12 cents which occurred in April, although there is no denying that the change was responsible for holding down imports from abroad. Evidence of this is shown by the fact that during December a number of good-sized shipments came in even over the new rate. These December imports were due to a temporary break in Danish prices abroad, said to be indirectly the result of a new package-dating regulation becoming effective. It remains that the presence of foreign butter on domestic markets so far (December 20) has failed to cause price declines. Possibly prices might have gone higher except for these foreign arrivals. The whole matter of dairy imports, of course, is one of adjustment between domestic prices and foreign prices, further evidence of which was indicated during the late fall by some imports of cheese from Canada, resulting primarily from dull demand in England, where the coal strike remained unsettled.

The close of the year finds the domestic situation on a sound basis, with the lighter 1926 production and an active consumptive demand standing out as primary elements of support. Prices are high, especially butter prices, but the inventory of reserve stocks on hand suggests that it is plainly a case of supply and demand. Again, it is the high quality products which are reaping greatest benefits from the prevailing high price level.

L. M. DAVIS,
Division of Dairy and Poultry Products.

DAIRY SITUATION

[Thousands pounds; i. e., 000 omitted]

BUTTER SUMMARY

	November		Per cent change	January–November, inclusive		Per cent change
	1926	1925		1926	1925	
Production: ¹						
Creamery.....	85, 779	85, 492	+0.3	1, 257, 252	1, 270, 390	–1.0
Farm.....	35, 844	36, 462	–1.7	543, 576	552, 948	–1.7
Total butter.....	121, 623	121, 954	–0.3	1, 800, 828	1, 823, 338	–1.2
Net imports.....	290	² 42	-----	356	1, 710	-----
In storage (1st)....	100, 871	94, 916	-----	52, 785	65, 694	-----
In storage (end)....	64, 377	74, 754	-----	64, 377	74, 754	-----
Trade output.....	158, 407	142, 074	+11.5	1, 789, 592	1, 815, 988	–1.5
Milk equivalent....	3, 326, 547	2, 983, 554	+11.5	37, 581, 432	38, 135, 748	–1.5
Receipts 4 mar- kets (gross).....	38, 921	39, 977	–2.6	610, 719	611, 990	–0.2

CHEESE SUMMARY

Production ³	23, 236	27, 336	–15.0	394, 975	418, 948	–5.7
Net imports.....	10, 761	6, 503	-----	64, 840	47, 282	-----
In storage (1st)....	89, 785	90, 866	-----	76, 649	67, 558	-----
In storage (end)....	81, 008	84, 561	-----	81, 008	84, 561	-----
Trade output.....	42, 774	40, 144	+6.6	455, 456	449, 227	+1.4
Milk equivalent....	427, 740	401, 440	+6.6	4, 554, 560	4, 492, 270	+1.4
Receipts Wiscon- sin warehouses..	12, 680	16, 025	–20.9	250, 978	266, 089	–5.7

CONDENSED AND EVAPORATED MILK SUMMARY

Production ⁴	93, 175	97, 057	–4.0	1, 624, 659	1, 647, 560	–1.4
Net exports.....	9, 042	7, 970	-----	102, 937	133, 405	-----
In manufacturers' hands (1st).....	174, 909	185, 624	-----	156, 272	123, 428	-----
In manufacturers' hands (end).....	137, 491	165, 682	-----	137, 491	165, 682	-----
Trade output.....	121, 551	109, 029	+11.5	1, 540, 503	1, 471, 901	+4.7
Milk equivalent....	303, 878	272, 573	+11.5	3, 851, 258	3, 679, 753	+4.7

TOTAL MILK EQUIVALENT—BUTTER, CHEESE, AND CONDENSED MILK

Production.....	3, 019, 381	3, 077, 037	–1.9	45, 828, 786	46, 598, 478	–1.7
Trade output.....	4, 058, 165	3, 657, 567	+11.0	45, 987, 250	46, 307, 771	–0.7

DRY MILK

Skim milk (stock Dec. 1).....	8, 139	4, 253	-----	4, 399	6, 735	-----
Dry milk (net)....	⁵ 431	² 178	-----	⁵ 1, 929	⁵ 1, 554	-----

¹ Estimated from receipts on 4 principal markets.³ Estimated from receipts at Wisconsin warehouses.⁴ Compiled from special reports to this bureau.² Exports.⁵ Imports.

THE POULTRY AND EGG MARKETS DURING 1926

It will be remembered that the storage season of 1925-26 ended unfavorably, for the storer of eggs, with prices declining rapidly during December and January, in the face of unprecedented arrivals of fresh receipts. This opened up the year with a situation which has often presaged a "good" egg year, a situation marked by such things as the conclusion of an unsatisfactory storage deal, low prices, heavy receipts, and lack of confidence and uncertainty of the future. Yet these conditions were largely reversed later, receipts failed to increase as rapidly as usual as the season advanced, prices made some recovery, and soon, instead of a surplus of storage stocks of shell eggs, compared with the previous year, there was a shortage.

Receipts at the leading terminal markets, except early in the year and again at the close, did not quite equal those of the preceding year. In the absence of any production figures, it is not known whether or not such a decrease may be taken as an indication of decreased production. Changes in marketing practices, such as increased shipment direct to the smaller consuming markets, are said to be taking place. Increased receipts, at eastern seaboard markets, of eggs from Pacific coast points, and a continuation of a tendency, previously noted, to develop heavier production during the fall and winter months, were other features of the supply side of the market during the year. It should also be noted that the marketing of eggs in frozen form also continued to increase. In fact, the storage holdings of this product reached levels, during 1926, never before attained. While this was of interest in itself, it was of peculiar effect upon the shell egg market, for the surplus of frozen eggs in storage, compared with the previous year, would at practically all times nullify the shortage of shell eggs.

Prices were somewhat lower than in 1925 for practically the entire period, December being practically the only exception. This was in face of the facts that receipts and storage holdings, except for frozen eggs, did not equal those of 1925. Yet these lower prices were not thought to have called forth any material response from the consumer.

Foreign trade in eggs was of importance at times, especially in the spring, when quantities of shell goods were exported to South American countries, and when shipments of frozen and dried eggs came in from China.

Poultry markets were featured by considerably heavier volumes sent to market. As a general thing, prices of poultry were slightly below 1925, although at certain times, such as Thanksgiving, Christmas, and the Hebrew holidays, certain classes brought returns materially better than a year previous. From a broad viewpoint the poultry markets have had a successful year. Demand has been sustained, large volumes have been moved, and prices have been reasonably satisfactory to the various groups involved.

C. E. ECKLES,
Division of Dairy and Poultry Products.

POULTRY AND EGG SITUATION

[Thousands; i. e., 000 omitted]

STOCKS IN STORAGE—DECEMBER 1, 1926—UNITED STATES:

	Shell eggs	Frozen eggs	Dressed poultry
	Cases	Pounds	Pounds
1926.....	3,215	38,483	106,908
1925.....	3,786	39,336	86,733
Change.....	-571	-853	+20,200
Per cent.....	-15.1	-2.2	+23.4
Per cent change from 5-year average.....	-3.0	+31.3	+50.7

IMPORTS AND EXPORTS OF POULTRY AND EGGS—JANUARY 1—NOVEMBER 30

	Imports		Exports	
	1926	1925	1926	1925
Shell eggs.....dozens.....	269	583	24,874	23,318
Whole eggs, dried.....pounds.....	623	1,330	-----	-----
Whole eggs, frozen.....do.....	8,711	12,096	-----	-----
Yolks, dried.....do.....	4,000	5,481	-----	-----
Yolks, frozen.....do.....	3,787	5,433	1,487	1,292
Egg albumen, dried.....do.....	4,179	3,860	-----	-----
Egg albumen, frozen, prepared or preserved.....pounds.....	3,139	4,251	-----	-----
Live poultry.....do.....	1,431	1,546	540	658
Dressed poultry.....do.....	4,915	1,628	2,268	4,974
Poultry, preserved in any manner.....	389	316	-----	-----

¹ Includes all forms of frozen and dried eggs.² Includes game.

RECEIPTS AND APPARENT TRADE OUTPUT AT FOUR MARKETS—EGGS (CASES)

	November			Jan. 1—Nov. 30		
	Receipts	Net storage movement	Apparent trade output	Receipts	Net storage movement	Apparent trade output
1926.....	530	-978	1,508	14,075	+518	13,562
1925.....	389	-939	1,328	14,224	+1,050	13,165
Change.....	+141	-----	+180	-149	-----	+397
Per cent.....	+36.2	-----	+13.6	-1.0	-----	+3.0

RECEIPTS AND APPARENT TRADE OUTPUT AT FOUR MARKETS—DRESSED POULTRY (POUNDS)

	November			Jan. 1—Nov. 30		
	Receipts	Net storage movement	Apparent trade output	Receipts	Net storage movement	Apparent trade output
1926.....	68,594	+25,436	43,158	280,586	-9,007	289,593
1925.....	61,488	+21,029	40,459	251,565	-33,480	285,045
Change.....	+7,106	-----	+2,699	+29,021	-----	+4,548
Per cent.....	+11.6	-----	+6.7	+11.5	-----	+1.6

THE SITUATION IN VARIOUS KEY STATES

(From Reports of State Statisticians, Bureau of Agricultural Economics)

CONDITIONS IN COLORADO

The season in Colorado started out in a most promising way and everything looked encouraging until about the middle of July, when drought conditions began to manifest themselves and continued throughout the balance of the season. Precipitation has been much below normal since July 1; September was characterized as one of the 12 driest months in 38 years. Usually the eastern plains areas of Colorado are not materially affected by hot winds, but during August this season they reached over and gave us a corn crop with the poorest showing since 1911, with beans a close second. Dry-land potatoes were pretty much a failure, while the hot weather and hot winds also checked, to some extent, the growth of the potatoes under irrigation. These unfavorable conditions were followed by a freeze on September 23 and 24 which stopped further development of nearly all crops except cabbage.

The fall season was highly favorable for the harvesting of all crops. Most of the irrigated crops and a small percentage of the non-irrigated were above the average; on the other hand, the largest per cent of the nonirrigated crops was much below the average. Thousands of acres of small grain, corn, beans, broomcorn, millet, and forage crops were almost an entire failure.

To fully understand the agricultural situation in Colorado it is important to know the percentages of crops grown with and without irrigation, as irrigated crops are quite uniformly good year after year, while nonirrigated crops show adverse conditions to a very marked degree. Of the entire area devoted to crops, the percentages under irrigation for the following are: Corn, 9 per cent; winter wheat, 7.5 per cent; spring wheat, 53 per cent; oats, 44 per cent; barley, 24 per cent; dry beans, 12 per cent; potatoes, 82 per cent; sugar beets and truck crops, nearly 100 per cent; alfalfa, 85 per cent; and nearly all of other tame hay, while rye, grain and sweet sorghums, millet, Sudan grass, and broomcorn all are almost wholly nonirrigated crops.

In the outcome of the major crops in Colorado as shown by production reports, only the following show increases compared with 1925: Wheat, rye, sugar beets, apples, peaches, and pears; and of the principal minor crops there was increased production in cantaloupes and onions. On the other hand, the following show decreases: corn, oats, barley, potatoes, tame hay, dry beans, lettuce, and cabbage. Considering the livestock outcome, there is a decrease in the total production of livestock, except sheep and poultry.

As considered from the standpoint of prices received for farm products, nearly all crops show a lower level at this time than a year ago, except sugar beets, though potatoes are standing about the same as last year at this time. In the comparative prices of livestock, hogs and veal calves are the only classes that show material advances, while sheep and wool show a material decrease.

Measured by production and farm prices, it is apparent that there will be a material decrease in the farm income for Colorado farmers for 1926 from that of 1925; and the increases in sugar beets, sheep, and lambs will have to be credited with maintaining the comparison as favorable as it is, for some crops, particularly corn, beans, tame hay, and apples, made heavy declines either in production or value, or both, corn and beans each losing more than 50 per cent.

The fruit crops of the State came through with high production in all sections. Cherries, peaches, and pears were marketed at quite satisfactory values, while small fruits, including raspberries, were low; and apples with a large production in every section have had only a slow outlet at low prices. Lettuce from the latter part of the season brought better returns than the early crop; the yield was light, and marketings amounted to only about 70 crates per acre for the entire acreage planted; considerably less per acre than last year. However, the total output amounts to nearly the same as a year ago.

Cabbage produced well with good quality, but on account of low prices and poor demand much was left in the field. Storage cabbage is now bringing only about 70 cents per hundred pounds. Onions, while not quite up to the early expectations on account of depletion by thrips, made a good crop and with a larger acreage the total production should equal or exceed that of last year. Prices and demand are poor, however, and the shipments have run considerably behind those of last year. With a much larger acreage, about 4,000 cars of cantaloupes were shipped compared with 3,050 cars last year. The early sales made the growers some money but late prices were too low, in general. The average of all returns stand about the same as the advances, 35 to 40 cents for flats and 70 to 80 cents for standard crates—not much profit for growers.

Grass made an excellent growth early in the season and cured well. Hay is generally abundant for the amount of stock on hand. Cattle and sheep are doing well; but few losses are reported. The movement to market was somewhat slower than usual. The lamb feeding industry of the State has taken a great slump, only about 40 per cent of the usual number being placed on feed in the State on account of the high prices asked for lambs to put in the feed lots. More cattle than usual are being fed.

In the north central and the western portions of the State, including most irrigated sections, financial conditions have improved and are excellent, while in the nonirrigated sections in the eastern and southeastern portions they are more stringent and many farmers will be hard pressed. Some stock is also being sold to equalize the feed and financial situation in those sections. In some districts seed wheat was supplied by outside agencies for fall sowing. Fall plantings of wheat and rye were generally made under adversely dry conditions, and the present outlook is not encouraging. Considerable replanting will be necessary.

W. W. PUTNAM.

CONDITIONS IN WYOMING

The weather was generally favorable for crops this past year with the exception of the northeast corner of the State, which suffered from a prolonged drought early in the growing season. The crops there never fully recovered.

Hail damage was reported in some sections this year but was not extensive. The freeze of September 23 came too late to cause much damage except to truck crops and late plantings of corn. With the exception of corn, which suffered some from freezing, the yields of crops this year were well above average. The acreage planted to crops here showed a steady annual increase.

The crops of both winter and spring wheat were very good, the latter the largest since 1921.

Dry edible beans showed an increase in acreage of 50 per cent over last year. Production this year was estimated at about 200,000 bushels, by far the largest on record. Reports indicate, though, that many beans suffered from the freeze and many of them had to be hand picked.

Sugar beets also reached a new high production for Wyoming with an estimated crop of about 360,000 tons. The crop brought a very satisfactory price.

Reports have indicated plenty of feed on hand in practically all sections of the State, and stock entered the winter in fine shape. Feeding of both cattle and sheep seems to be on the increase here, due partly to an enlargement of the sugar beet acreage and partly to the fact that feeders in near-by States would not pay the price demanded for feeding stock this year.

Potato shipments have been about normal. Nearly all sections report fairly good financial conditions.

D. F. CHRISTY.

CONDITIONS IN ILLINOIS

Farmers in Illinois probably feel about as discouraged now as at any time since the discouraging period following the war. Nearly three months of rainy weather starting in the midst of harvest has caused very heavy damage to quality and consequently reduced prices for many of the crops the farmers have to sell. This is reflected in reports from nearly all business firms, which show a very moderate fall business. Wheat is about the only major crop that turned out fairly well, as this crop was about two-thirds threshed ahead of the rains.

The gross market income from livestock sales for the first 10 months of the year measured up about the same as for a like period last year, but the gross value of 15 principal crops produced in Illinois is about \$15,000,000, or slightly over $3\frac{1}{2}$ per cent below that of 1925.

With the hog-cholera situation now under control, the livestock situation can be classed as favorable. Hog losses since July 1 are reported at about 9 to 10 per cent of total numbers on farms. The present outlook is for over 10 per cent increase in the fall pig crop and a very heavy increase in the spring pig crop. Recent reports to this office show heavier than usual reservation of old sows as well as young sows for breeding. The present outlook is that the number of sheep on

feed will equal or somewhat exceed the heavy feeding operations a year ago. The number of cattle on feed is reported slightly below the liberal numbers on feed a year ago. Due to the comparatively cheap price of corn, also much poor quality corn and favorable hog prices, farmers will again feed for heavier weight and market all corn possible via the feed lot.

Considerable off-grade corn, damaged by frost in the north or by wet weather in the central southern areas, and which can best be disposed of to advantage through the feed lot, has been an important factor in holding up feeding operations.

Generally speaking, the 1926 season was not a favorable year for crops. Yield and quality of wheat, fruit, and potato crops were above and other crops mostly below average. Extreme summer drought, followed by over two months of wet weather extending from August into October over most of the State, also September frosts in the northern counties, were decidedly adverse to both yield and quality of many crops. Flood damage has been extensive in low parts of fields and the worst on record in the west central portion of the State. Wheat was largely threshed ahead of the rains and mostly secured in good condition. Rainy weather starting in August caught part of the small grain crop in the shock in the central and northern areas and the loss to oats, barley, and grass seed crops from sprouting and rotting in the field has been the heaviest ever recorded.

The State corn crop is only slightly below average but varying quality will require more extra work and care in handling than any crop since 1919. There is some soft and chaffy corn in the northern areas, but most of the crop matured in the remainder of the State. The loss to corn yields from rots and molds has been heavy. Due to scattered rains and lack of drying weather, corn husking is way late. Drying weather is needed generally in the State to rush corn husking and prevent further damage to down corn.

Fruits were a large crop, but prices have continued disappointing to growers. Fall pastures and stubble feed have been the best in years and this has materially aided to relieve a rather short supply of hay. The long period of wet weather seriously interfered with the progress of all farm work which on December 1 was reported 20 days later than normal. Fall plowing of wheat continued into November or unusually late this season. The prospect is favorable for about 80 per cent of the crop which was up before the recent freeze-up, but the outcome of the later sowing which was just coming up is doubtful. Fall planted acreage will probably equal or slightly exceed the reduced acreage planted a year ago.

Farm labor situation has tightened up somewhat due to the rush of work toward the end of the season. In the main, the farm labor situation is satisfactory. Demand for farm labor has been reduced to the minimum as in many instances the farm income is limited, due to the unfavorable yield and quality of crops and discouraging prices. The present outlook is that farmers will continue to observe economy in all their purchases during the next year. The general labor situation for the State has improved, due to increased activity in the important coal-mining industry. City building and hard road construction work have continued quite active throughout the year.

A. J. SURRETT.

CONDITIONS IN KENTUCKY

Briefly, the Kentucky farmers' situation may be boiled down to this: The heavier producing burley tobacco counties of central and northern Kentucky may be classed as in just fair condition, not at all good but not as bad as the rest of the State. This area may be considered roughly as being north of a semicircle from Louisville southeastward including Lincoln County and thence northeastward to the Ohio River again to include Madison, Fleming, and Mason Counties. A belt of poor burley producing and further south of one-sucker counties southward and slightly southwestward from Louisville is in somewhat poorer condition; and from that strip westward the farmers are in very bad condition. Many poor farms have been abandoned and in some of the hardest-hit areas like southern Christian County, which is excellent land, even many fine farms are totally idle.

Tobacco is Kentucky's cash crop. The dark tobaccos of western Kentucky have been selling very low for several years and foreign production of tobacco and upset credit conditions have further reduced their dark-tobacco export markets, so that they are facing a very gloomy prospect. The burley belt of central and northern Kentucky already has pushed far over into what formerly was dark-tobacco territory. The production of burley tobacco has been running far ahead of consumption for several years. The burley cooperative officials have announced that this season's crop of burley will be sold at public auctions by the association in competition with nonpooled tobacco. That means it will be a buyers' market, rather than a sellers' market. Burley has brought relatively good prices heretofore, which caused overproduction.

The bulk of the State's very large production of spring lambs is in this burley belt, which is mostly good limestone grazing land, and for several years spring lambs have been one of the best and most profitable sources of cash for the central and northern Kentucky farmers. There is also more farm dairying in this central and northern area than in the rest of the State, with larger markets that furnish more steady demand at better prices than in other parts of the State.

Most farmers in the State who have long-time loans are managing to keep up their payments while being pushed hard by the agencies making such long-time loans. Farmers who have tried to carry ordinary short-time loans have had rough sledding. Land values are low. Many farms are offered for sale with buyers scarcely to be found at any price, except for the choicest land or at extremely low prices.

Crops have been generally good this year. The corn crop is fine, except in some spots, mostly in extreme western counties. Wheat was the best known for many years, but the State's acreage was small. A heavy increase apparently was seeded this fall despite wet weather. Hay of perennial varieties was generally only fair to poor, but annual hays, especially cowpeas and soy beans, were generally fine. More sows and pigs are on hand than a year ago and cholera has not yet become general enough to scare farmers badly or cause bad losses. The tobacco crop has apparently produced a good yield, but quality will vary widely from fine to very poor; much of it was coarse and rank because of late summer wet weather.

Numbers of ewes for raising spring lambs have been increased sharply, both from native and western stock, and prospects look bright for good profits from spring lambs. The whole picture is a very gloomy background with these few bright spots showing more plainly by contrast. There is a potential surplus of labor but farmers are hiring as little as possible; they say they can not hire labor when farm products sell so cheaply and manufactured goods high.

H. F. BRYANT.

CONDITIONS IN IOWA

Iowa's agriculture in 1926 has improved, several items on the account showing a favorable balance. Perhaps the most gratifying is the fact that so many sections of the State have acknowledged an improvement in the general morale. True it is that disappointments have occurred in certain areas, cold and excessive moisture in the east, severe drought in the northwest, corn ear worm damage in the west, and floods in three corners of the State. Bountiful harvests were reaped next door to "near-crop failures." Surely the season has been topsy-turvy, the most efficient farmers not securing in every case the most satisfactory harvests.

Recent banking troubles in northwestern Iowa seem to have been alleviated. In 2 counties 35 banks closed their doors, all on the same day or but a few days apart, to reorganize at once on a so-called "deposit waiver plan." The reorganization was accomplished, the banks reopened, and are now operating under fairer conditions. While there have been a few bank failures and indications of more, they have been localized and the lessons learned have been very valuable. The strict adherence to good banking practice will strengthen the confidence of farmer patrons. It is safe to state that Iowa farmers will profit by recent experiences and that they will adopt more conservative programs of financing than in the past and this in turn will cause the banks to conduct their business in a safer and more conservative manner than before. Consequently, the situation has brought about many stronger community organizations than ever existed in the past. It has been proven that the rural banks in Iowa depend largely upon the welfare and success of their agricultural constituents and when the two are bonded more closely the whole community benefits. A comparison of figures is hardly a satisfactory way to consider changes for the better within the past year, but continued support and confidence of Iowa people is the more favorable indication of larger cash reserves.

Sales of farm implements over the State during 1926 were about average, some lines, particularly tractor sales, increasing from 10 to 12 per cent. Some sales, such as binders and cultivators, represent replacements. Hay tools and machines decreased in output, the State having had nearly three years' drought accumulation unfavorable to hay production. Some firms anticipate the appearance of the small combine in Iowa. A few of these machines are already in use for harvesting soy beans, and tentative orders are already in sight for a few combines in the heavy grain sections. Collections of accounts of approximately 95 per cent have been secured by one or two large firms.

An important measure of farm savings has been brought to light in the coordination of the rural communities and some of the repre-

sentative life insurance companies. A correct comparison can not be made but reports from increased efforts through larger sales forces and stronger selling campaigns show decided increases during the past several months in volume of business written upon the lives of farmers and their families. Lapses of insurance were much fewer in November than in October, 1926. Sales of farms have not been numerous anywhere in the State and though a few insurance companies, which are financially interested in Iowa land, have been inclined to check off a few farms with a loss, conservative Iowa companies are negotiating only in transfers which will return a profit. A few young farmers who have desired legitimate credit for the purchase of a farm entered into favorable financing agreements with these companies. These transactions will survive and such young men will finally emerge from their indebtedness ranking as leaders in the agricultural and financial circles of their communities.

Farm sales in a few communities have been indicative of the cause of some of our banking trouble. Press reports of sales show that cash transactions have predominated in settlements, whereas under settled conditions the business was formerly carried on through the local banking channels.

Our lawmaking bodies will be confronted with two primarily important problems this winter. The situation before the whole State in the matter of bank deposit guaranty legislation is no laughing matter, and pulling Iowa away from her mud roads will be another struggle.

The livestock industry of Iowa has taken a long step forward this past year. Exhibits and entries of the boys' and girls' clubs at the State fair undoubtedly excelled similar showings of any State at any time. The quality and high standard of all offerings leave no doubt as to the ability of the younger generation to improve upon the livestock development program of their fathers and to meet the changing demands upon production. Iowa breeders again led the country with their winnings at the International Livestock Show. This means that Iowa breeding stock, during 1927 as in the past years, will be sold to many foreign countries and will represent new blood lines and more highly developed food animals for the people of those countries. During the past, Iowa breeding stock has been sold into Argentina, Mexico, Belgium, France, and other countries as well as into many other States in our own land.

The crop year met with a number of disappointments. We produced about 79,000,000 bushels less corn than in 1925, and this situation would ordinarily have been followed by strengthening corn prices. Much of the 1925 crop, having been held on farms, appeared on the market just at the new corn harvest season. On top of excessively heavy shipments all during the summer and also because of the very poor quality of the 1926 crop, the average corn price on farms on December 1 was estimated as 56 cents. For several reasons it is believed that conditions since December 1 warrant a decided upturn in the farm price. The amount of good grade corn for market is relatively small, and the increase of feeding stock will readily take care of the low-grade corn. There is an exceptionally heavy increase of stocker cattle on farms this winter, and if farmers at this time,

as well as at other seasons of the year, will only feed their young growing stock, their work stock, and their stocker cattle, so that just good average thrifty condition is maintained, there should never be cause to worry about overproduction of crops.

The hog cholera has been serious in a number of counties during the fall, which has had the effect of reducing the apparent increasing production. Loss from disease has been severe, but prompt treatment and attention kept the epidemic under control. The disease caused a run of lightweight, unfinished hogs to market, but the greatest effect will no doubt be reflected in the spring crop of pigs. Sows have been lost or have gone to market that were to be kept on the farm, and breeding in general was forced to be reduced. One of the bright aspects of the Iowa hog situation in 1926 has been the marketing of probably more than 10,000,000 hogs at profitable prices.

LESLIE M. CARL.